

Corruption That Vanished

The collapse of the 2G case exposes the cynical use of corruption as a political tool.

That all the accused in the “2G scam” have been acquitted by the trial court for want of evidence came as a surprise. Even more surprising was the fact that this case had receded from public memory in such a short span of time. Less than 10 years ago, the allocation of mobile telecom spectrum for second generation (2G) services, done using the “first come, first served” system, was the subject of a raging controversy. A total of 122 licences had been given out to various telecom companies for rolling out mobile internet and voice services all across the country. This was meant to be a major push to extend telecom reach and teledensity at a time when India was on the cusp of its telecom “revolution.” It ended up, however, becoming the symbol of corruption under the Congress and its United Progressive Alliance (UPA) government with the fantastical figure of a ₹1.73 lakh crore “notional loss” and could well be seen as the beginning of their end.

The allegations are well known. Spectrum was sold to favourite companies by the UPA government at prices far lower than market rates after allegedly taking large bribes from them. This, it was believed, led to an under-collection of revenues by the government, ranging from around a “low” of about ₹20,000 crore calculated by some newspapers and analysts to as much as ₹1.73 lakh crore proposed by the Comptroller and Auditor General of India (CAG), Vinod Rai. It was assumed that this led to super-profits for the telecom companies. A Raja of the Dravida Munnetra Kazhagam (DMK) was the prime accused as the then telecom minister, but others from his party as well as the Congress, including the then Prime Minister Manmohan Singh, were all seen to be complicit. While arbitrariness and favouritism in decision-making, as well as corruption and loss to the public exchequer were alleged with prima facie evidence, what really made it so important was the exaggerated amount involved. It became a symbol of the gargantuan nature of corruption in the UPA government and a marker of how much money was being diverted from public goods like infrastructure and poverty reduction.

Some people argue that there is a direct line of conspiracy linking the claims of the ₹1.73 lakh crore loss in the 2G scam to the coronation of Narendra Modi as the democratically elected emperor of the Indian republic. Irrespective of the veracity of such conspiracies, it is now possible to identify one clear political consequence of this case. It became the template on which

corruption by the Congress could be converted into “common sense,” and all the other alleged scams and corruptions of the UPA government could be added up without much scrutiny. It was this “common sense” that bestowed credibility to the India Against Corruption “movement” and led to a situation where corruption came to be seen as the single reason for all that ailed the nation, thus making anti-corruption the talisman for all problems, too. This is not to argue that corruption and favouritism were not in play in the allocation of telecom spectrum, but to highlight the fact that corruption became something of an “empty signifier” filled with morality and passion, which could, and did, trump all other issues in public life, including poverty, employment, public goods, discrimination, and violence.

There have been other consequences of the 2G scam and related corruption cases from the UPA times. The most important has been the politicisation of not just state institutions, like the CAG and the courts, but the injection of a certain toxic partisanship into public institutions, like the media. It has also skewed public policy options in a manner where allocating public resources, without generating maximum revenue for the government, is suspected as prima facie evidence of corruption.

The trial court’s judgment appears also to undermine the sanctity of the Supreme Court. The latter had set aside the allocation of 2G spectrum in 2012 on grounds of arbitrariness and favouritism, stating that the accused had “gifted away important national assets.” The Court’s judgment made it clear that it was looking only at procedures and its ruling would not have any bearing on the trial court’s proceedings. However, that is easier said than done. What the trial court seems to suggest is that the Central Bureau of Investigation (CBI) has not been able to make any case for wrongdoing against any of the accused. This raises many questions, not the least about the motives of the Modi government which has been in power since May 2014.

Modi’s victory promised to bring the corrupt to justice; the failure to get a conviction in this “bellwether” corruption case may well dent his political standing that has taken a few other blows in the past year and more. There is a fair chance that the 2G judgment will blunt the Modi government’s accusations of endemic corruption against its main rival, the Congress. Whether the latter is able to use this to recover lost political ground remains as yet untested. However, this spectacular failure could also inoculate

the citizenry to the issue of corruption and abuse of state power to favour selected industrialists. Despite this tale of corruption that simply vanished, there is no dispute about the fact that

corruption and abuse of power remain an important aspect of India's economic and political structure and that the fight against corruption is crucial to build a fairer and more just society.